

THIRD GUAM LEGISLATURE
1955 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 38, "An Act to amend Sections 405 and 407 and 408 of Chapter VI, Title I, Part IV, of the Civil Code of Guam and to add new Sections 406.1 and 407.1 thereto, relative to foreign corporations doing business in Guam", was on the 12th day of July, 1955, duly and regularly passed.



F. B. LEON GUERRERO
Speaker

ATTESTED:



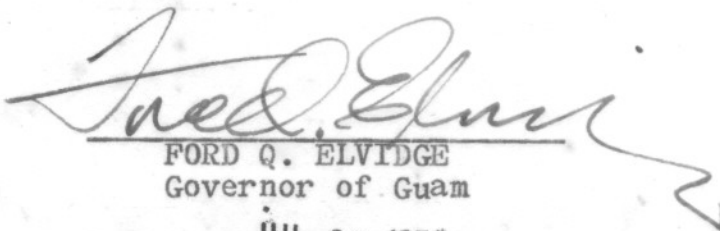
A. S. N. DUENAS
Legislative Secretary

This Act was received by the Governor this 14th day
of July, 1955 at 3:21 o'clock P. M.



R. S. HERMAN
Secretary of Guam

APPROVED:



FORD Q. ELVIDGE
Governor of Guam

Dated: JUL 22 1955

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THIRD GUAM LEGISLATURE
1955 (FIRST) Regular Session

Bill No. 38

Introduced by _____
Committee on Judiciary,
by request

An Act to amend Sections 405 and 407 and
408 of Chapter VI, Title I, Part IV, of
the Civil Code of Guam and to add new
Sections 406.1 and 407.1 thereto, relative
to foreign corporations doing business in
Guam.

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

Section 1. Section 405 of the Civil Code of Guam is hereby amended
to read as follows:

"Section 405. License and certificate of registra-
tion required. Conditions precedent. No foreign
corporation or corporation formed, organized, or existing
under laws other than those of Guam shall be permitted to
transact business in Guam until it shall have obtained a
foreign corporation license and certificate of registra-
tion from the Director of Finance upon written order of
the Governor of Guam.

No order for a foreign corporation license and
certificate of registration will be issued by the Governor
of Guam, except upon a statement under oath of the manag-
ing agent of the corporation showing to the satisfaction
of the Governor that the corporation is solvent and in
sound financial condition, and setting forth the resources
and liabilities of the corporation within a number of days
to be fixed by the Governor of Guam, prior to the date of
presenting the statement, as follows: X

- (a) The name of the corporation;
- (b) The purpose for which it was organized;
- (c) The location of its principal or home office;

1 (d) The capital stock of the corporation and
2 the amount thereof actually subscribed and paid into
3 the treasury on the _____
(Here insert date, month, year)

4 (e) The net assets of the corporation over and
5 above all debts, liabilities, obligations, and claims
6 outstanding against it on the _____
7 (Here insert date, month,
8 _____
year)

9 (f) The name of the agent, residing in Guam,
10 authorized by the corporation to accept summons and pro-
11 cess in all legal proceedings against the corporation and
12 of all notices affecting the corporation:

13 Providing, however, that the Governor of Guam before
14 ordering that a foreign corporation license and certifi-
15 cate of registration be issued in the case of any parti-
16 cular corporation, may require further evidence of the
17 solvency and fair dealing of the corporation, if in his
18 judgment such further information is essential.

19 Accompanying the statement, there must be a
20 certified copy of the articles of incorporation and a
21 certificate that the corporation has been established
22 according to the laws of the place where incorporated.
23 Said certificate, in the case of companies incorporated
24 in the United States or its possessions, must be under
25 notarial seal; and, in the case of other foreign corpora-
26 tions, must be issued by a United States Consul.

27 Upon filing in the Department of Finance the fore-
28 going statement, etc., and the order of the Governor,
29 the Director of Finance shall issue to the foreign
30 corporation a foreign corporation license and certificate
31 of registration. For the issuance of such certificate
32 of registration, the Director of Finance shall collect

1 a fee of \$5. For the issuance of the foreign corporation
2 license the Director of Finance shall collect the sum of
3 of \$100."

4 Section 2. There is hereby added to the Civil Code of Guam a new
5 Section 406.1 to read as follows:

6 "Section 406.1. Service of process on Director of
7 Finance in action against unlicensed foreign corporation.

8 Every foreign corporation or corporation formed,
9 organized, or existing under any laws other than those of
10 Guam now or hereinafter doing business in Guam, which
11 fails to comply with the provisions of Section 405 before
12 doing or continuing to do any business in Guam, shall be
13 conclusively presumed to have designated the Director of
14 Finance as its agent for the service of process in any
15 action against such corporation arising out of acts
16 or omissions of such corporation within Guam, including,
17 without limitation, any action to recover the statutory
18 forfeiture and penalties for failure to be so licensed
19 and all taxes, fees, and other obligations for which the
20 corporation might be liable to the government of Guam.
21 Such agency for the purpose of service of process shall
22 continue as long as any obligations against such corpora-
23 tion are outstanding even though such corporation has
24 ceased to do business in Guam. Pursuant to such service,
25 suit may be brought in the District Court of Guam. Such
26 service shall be made upon the Director of Finance by
27 leaving with him duplicate copies of such process, together
28 with an affidavit of the plaintiff or one of the plaintiff's
29 attorneys, showing the last known address of such corpora-
30 tion, and, except in actions in which the government of
31 Guam is plaintiff, a fee of \$20 which shall be included as
32 taxable costs in case of judicial proceedings. Upon receipt

1 of such process, affidavit, and fee the Director of Finance
2 shall forthwith give notice by radiogram to the corporation
3 at the address specified in the affidavit and forward to
4 such address by registered mail, with a request for return
5 receipt, a copy of such process.

6 The Director of Finance shall retain a copy of such
7 process in his files, keep a record of any such process
8 served upon him, and record therein the time of such
9 service and his action thereafter with respect thereto.

10 This section does not affect any right to serve pro-
11 cess upon a foreign corporation in any other manner permitted
12 by law."

13 Section 3. Section 407 of the Civil Code of Guam is hereby amended
14 to read as follows:

15 "Section 407. Foreign corporation license. Certi-
16 ficate of registration. Prerequisite. Penalty. No
17 foreign corporation or corporation formed, organized, or
18 existing under any laws other than those of Guam shall be
19 permitted to transact business in Guam or maintain by
20 itself or assignee any suit for the recovery of any debt,
21 claim, or demand whatever, unless it shall have the
22 foreign corporation license and certificate of registra-
23 tion prescribed in this chapter. Any officer, director,
24 or agent of the corporation or any person transacting
25 business for any foreign corporation not having the license
26 prescribed shall be punished by imprisonment for not more
27 than 6 months or by a fine of not more than \$500, or by
28 both such imprisonment and fine, in the discretion of the
29 court. "

30 Section 4. There is hereby added to the Civil Code of Guam a new
31 Section 407.1 to read as follows:

32 "Section 407.1. Failure to comply. Penalty.

1 Every foreign corporation or corporation formed,
2 organized, or existing under any laws other than those
3 of Guam, now or hereinafter doing business in this terri-
4 tory which fails to comply with the provisions of Section
5 405 before doing any business in Guam shall be subject to
6 a penalty of not less than \$1000 to be recovered in the
7 District Court of Guam by the Island Attorney."

8 Section 5. Section 408 of the Civil Code of Guam is hereby amended
9 to read as follows:

10 "Section 408. Laws governing foreign corporations.
11 Any foreign corporation not formed, organized, or existing
12 under the laws of Guam and lawfully doing business in Guam
13 shall be bound by all laws, rules, and regulations appli-
14 cable to domestic corporations of the same class, save and
15 except such only as provide for the creation, formation,
16 organization, or dissolution of corporations or such as
17 fix the relations, liabilities, responsibilities, or duties
18 of members, stockholders, or officers of the corporation
19 to each other or to the corporation: Provided, however,
20 that nothing in this section contained shall be construed
21 or deemed to impair any rights that are secured or protect-
22 ed by the Treaty of Peace between the United States and
23 Spain, signed in the city of Paris, on December 10, 1898.
24 Provided, further, however, that nothing in this section
25 contained shall be construed to exempt any foreign corpora-
26 tion from compliance with Title XVII, Government Code of
27 Guam, the Business License Law."